

2/7/79

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THE PRESIDENT'S SCHEDULE

Wednesday - February 7, 1979

7:45 Mr. Frank Moore - The Oval Office.

8:00 Breakfast with Group of New Senators.
(60 min.) (Mr. Frank Moore) - The Cabinet Room.

9:30 Dr. Zbigniew Brzezinski - The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Congressman Jamie Whitten. (Mr. Frank Moore).
(20 min.) The Oval Office.

12:10 Greetings/Photographs - The Oval Office.
(20 min.)

12:30 Lunch with Mrs. Rosalynn Carter - The Oval Office.
(60 min.)

2:00 Meeting with Senators Jacob K. Javits
(30 min.) and Daniel P. Moynihan, Governor Hugh Carey
and Mayor Edward I. Koch. (Mr. Stuart
Eizenstat) - The Cabinet Room.

7:00 Foreign Affairs Briefing for Congressional Group.
(3 hrs.) (Mr. Frank Moore) - The State Floor.

THE WHITE HOUSE
WASHINGTON

2/7/79

Tim Kraft
Arnie Miller

The attached was returned
in the President's outbox
today and is forwarded to
you for appropriate handling.

Rick Hutcheson

FOR ACTION
FYI

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
LAST DAY FOR ACTION

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARONSON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FIRST LADY

HARDEN

HERNANDEZ

HUTCHESON

KAHN

LINDER

MARTIN

MILLER

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

WARREN

WEDDINGTON

WISE

VOORDE

ADMIN. CONFIDEN.

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THE WHITE HOUSE

WASHINGTON

C

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT
ARNIE MILLER

TK
AM

SUBJECT:

Director of the Federal Emergency Management
Agency

In June, you sent to Congress Reorganization Plan No. 3 of 1978, consolidating the Defense Civil Preparedness Agency (DOD), the Federal Preparedness Agency (GSA), the Federal Disaster Assistance Administration (HUD), the Federal Insurance Administration (HUD), and the U.S. Fire Administration (Commerce), into a new independent Federal Emergency Management Agency (FEMA). Activation of the new Agency must take place by April 1, 1979, but its Director should be nominated soon to take charge of the complicated implementation effort which badly needs leadership.

The Director of FEMA, an Executive Level II appointment, will report directly to you and be responsible for several controversial programs including civil defense, civilian emergency and war preparedness, disaster assistance, flood mitigation and insurance, and fire training and education. He will chair a White House Emergency Management Committee. In June, you reserved decision on OMB's recommendation that the Director be accorded invitee status at Cabinet and relevant NSC meetings.

We view this appointment as particularly sensitive, not only because of the Presidential nature of several of FEMA's responsibilities, but also because FEMA and the record it makes will be a visible product of your own reorganization project.

The field of suitable candidates with experience in civilian emergency preparedness and management is narrow. We have found it particularly difficult to identify individuals who could both command the respect of the national security establishment and show evidence of an ability to motivate civilian volunteer and governmental organizations to prepare for a full range of natural, accidental, and wartime catastrophies. Several potentially promising candidates -- including Dick Clark, Mike O'Callaghan, Wesley Posvar, Moon Landrieu, and Paul Ignatius -- have declined to be considered for the job.

George Elsey, the President of the American National Red Cross, has also expressed reluctance to become the Director of FEMA, but we believe he is open to persuasion.

While Elsey is the head of the largest civilian emergency relief organization, he also has had a background in national security policy in the Truman and Johnson Administrations. Although he is not widely known to the public, he has a very good reputation at the higher levels of public and private sector leadership for his intelligence, diplomacy, and political adroitness. He testified compellingly before Congress on behalf of the FEMA reorganization, placing particular emphasis on the importance of its mission to develop hazard mitigation as a long-term alternative to disaster relief programs. His appointment would be well received by Congress. Elsey is 60. However, he is still quite vigorous. We will want to complement him with a strong deputy who would be more familiar with the civil defense and war preparedness missions of the agency.

Elsey's reluctance to undertake the burden of organizing FEMA stems not only from his satisfaction with the Red Cross post, but also from family considerations. His wife is very ill with Parkinson's Disease. His closest friends say, however, that his sense of public duty is so strong that he would not fail to respond to a personal appeal directly from you.

RECOMMENDATION

We strongly recommend that you discuss this appointment with Mr. Elsey. Zbigniew Brzezinski, Stu Eizenstat, Jim McIntyre, Jack Watson and Greg Schneiders concur.

_____ Schedule an appointment with George Elsey

_____ Other

*Let Fritz do it -
Don't beg him
J*

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GEORGE M. ELSEY
Washington, D.C.

EXPERIENCE

1970 - Present	President, American National Red Cross
1969 - 1970	Pullman Corporation
1968	Special Assistant to the Secretary of Defense
1961 - 1968	Pullman Corporation
1953 - 1961	American National Red Cross
1947 - 1953	Administrative Assistant to President Truman
1941 - 1947	U.S. Navy (assigned to White House Map Room)

EDUCATION

1940	Harvard University, M.A.
1939	Princeton University, B.A.

CIVIC ACTIVITIES

Brookings Institution, Trustee
National Geographic Society, Trustee
George C. Marshall Research Foundation, Trustee
Harry S. Truman Library Institute, Trustee
Medal for Distinguished Public Service, Defense Department
Legion of Merit
Order of the British Empire

PERSONAL

White Male
Age 60
Democrat

COMMENTS ON GEORGE ELSEY

Thomas Morris, Inspector General, Department of Health,
Education and Welfare

"There is no one better than George Elsey as a diplomat, and as a persuasive articulator. He did a beautiful job at Defense for Clark Clifford."

Richard Neustadt, Professor of Government, Harvard

"Elsey has done everything -- foreign and domestic policy, politics, speeches. He invented the concept of "extemporaneous" whistle-stop speeches for Truman in 1948, and wrote good ones. He has a luminous intelligence, is extremely adept politically and discreet. Except for the Red Cross presidency, he has usually worked behind the scenes."

Frank Stanton, Chairman of the Board, Columbia Broadcasting
System

"Elsey is enormously intelligent and effective. He has done a very fine job at the Red Cross and would leave a real gap there if he left. We would hate to lose him."

Paul Ignatius, President, Air Transport Association

"He is very energetic and dynamic with the perfect background for FEMA. Elsey is the best connected person I know in the country in the public and private sectors. He is most effective in handling political and program problems of the highest sensitivity, and is extraordinarily articulate."

Sol Linowitz, Senior Partner, Coudert Bros.

"One of the most able and dynamic men in American public life today. He can handle great responsibility and heat. Elsey is extremely dependable, and trustworthy. He has enormous public service commitment, which you will have to appeal to shamelessly."

Lloyd Elliott, President, George Washington University

"Elsey is probably the most qualified person in the country for this job. He would hit the ground running. He is very loyal and dependable, and has the highest dedication to public needs. Elsey has great vigor in leading the Red Cross."



Office of the Attorney General
Washington, D.C.

C

February 7, 1979

MEMORANDUM TO THE PRESIDENT:

I enclose a transcript of a statement by David Brinkley which was made on Monday night, February 5, on the NBC nightly news. It explains the station WFDR incident.

Respectfully,

Griffin B. Bell

Griffin B. Bell

Enclosure

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FOR DEPARTMENT OF JUSTICE

PROGRAM NBC Nightly News

STATION WRC TV
NBC Network

DATE February 5, 1979 6:30 PM CITY Washington, D.C.

SUBJECT Update: Station WFDR

DAVID BRINKLEY: The other night we reported here a little radio station in Sterling, Illinois wanted to broadcast some taped programs supplied free by Radio Moscow, and called Moscow Mailbag. But the station thought it had legal difficulties in Washington. Tonight we're told they're all resolved, if there were any.

They can broadcast the tapes if they're not paid and if they tell the listeners where they came from.

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THE WHITE HOUSE
WASHINGTON

2-7-79

To 3615

Let's have an
official banquet for
Fahd

J.C.

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MR. PRESIDENT :

done
J

FRANK MOORE HAD TO LEAVE TO GO
TO THE STATE DEPARTMENT.

HE ASKS THAT , INSTEAD OF CALLING
HIM, YOU CALL WARREN CHRISTOPHER WITH
THE RESULTS OF YOUR DISCUSSION OF THE
TAIWAN LEGISLATION AT LUNCH TODAY. FRANK
AND WARREN ARE WORKING TOGETHER.

DAN TATE

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THE WHITE HOUSE

WASHINGTON

MEETING WITH CONGRESSMEN

Wednesday, February 7, 1979
7:00 p.m. (3 hours)
The Blue Room

From: Frank Moore
Zbigniew Brzezinski

F.M./B.R.
RB for

I. PURPOSE

To brief Members on recent foreign policy issues.

II. BACKGROUND, PARTICIPANTS, AND PRESS ARRANGEMENTS

- A. Background: This is another in a series of meetings with key Congressmen to have a general discussion on foreign policy.

You should lead off the discussions to be followed by:

Secretary Vance - will focus on the trouble spots: Iran, Middle East peace talks, South Africa, Nicaragua.

Secretary Brown - will focus on defense budget with some mention of SALT.

Dr. Brzezinski - will relate the foregoing to broader international change, indicating how your foreign policy contributes to a more constructive world role for the US and thus enhances US national security.

Each will talk for about 5 minutes, reserving the balance of time for discussion. We have had some criticism about the length of the opening presentations, so we should try to keep them short.

B. Participants:

See the attached list of Congressmen (Tab A)

Also participating:

Secretary Vance, Secretary Brown, Zbigniew Brzezinski,
Frank Moore

State: Doug Bennet

DOD: Jack Stempler

WH/NSC: Bill Cable, Jim Free, Bob Beckel,
Madeleine Albright

C. Press Arrangements: White House photographer

III. ISSUES FOR DISCUSSION

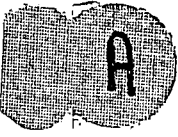
1. Overview of legislative priorities/some mention of SALT.
2. Panama Canal implementing legislation
3. MTN
4. Deng visit and China Omnibus legislation
5. Your Mexican trip

We have received some very positive feedback from last week's meeting with the Senators. Although the size of this group of House Members will make discussion more difficult, we believe we should keep the same format and division of labor as last week -- subject to your approval:

- a. Your statement might include a broad approach to world affairs (laying the foundations for a wider system of international cooperation, relying both on US strength and historical confidence); and then go into a discussion of your legislative priorities -- SALT, MTN, Panama Canal, Implementing Legislation, Foreign Assistance, and China Omnibus Bill. Each of these priorities is directly germane to your basic approach: SALT contributes to strategic restraint and security; MTN contributes to more genuine cooperation; Panama Canal legislation reflects our more mature and cooperative approach toward Latin America; Foreign Assistance as an integral part of our foreign policy objective of increasing the dialogue with the newly emerging nations and helping to ensure their economic vitality

as well as our own. You might say that you are satisfied with Deng's visit and that you believe that the constructive involvement we are developing with China will result in an improvement in Taiwan's future. The legislation we have submitted to the Hill is designed to enable us to establish a pattern of relations with Taiwan which will certainly lead to increased trade with Taiwan.

- b. A number of Members have written requesting a meeting with you before you go to Mexico. We will be arranging for Secretary Vance and others to meet with them before the trip to discuss the trip and solicit their news. It would be extremely important, however, for you to raise the issue at this meeting and explain in general terms the purpose of your trip.



HOUSE MEMBERS ATTENDING THE BRIEFING ON FOREIGN AFFAIRS,
WEDNESDAY, FEBRUARY 7, 1979

John B. Anderson (R-Ill.)*
Thomas L. Ashley (D-OH)
Les Aspin (D-Wis.)*
Les AuCoin (D-Ore.)
Michael D. Barnes (D-MD)
Anthony C. Beilenson (D-CA)*
Jonathan B. Bingham (D-NY)*
Richard Bolling (D-MO)*
Don Bonker (D-Wash.)*
David R. Bowen (D-Miss.)
John Brademas (D-Ind.)*
William S. Broomfield (R-Mich.)*
John Buchanan (R-Ala.)*
Beverly Byron (D-MD)
Tony L. Coelho (D-CA)
Cardiss Collins (D-Ill.)*
Barber B. Conable, Jr. (R-NY)
Silvio O. Conte (R-Mass.)*
Baltasar Corrada (D-P.R.)
Ronald V. Dellums (D-CA)*
Edward J. Derwinski (R-Ill.)*
Thomas J. Downey (D-NY)
John J. Duncan (R-Tenn.)
John N. Erlenborn (R-Ill.)
Vic Fazio (D-CA)
Millicent Fenwick (R-NJ)
Joseph L. Fisher (D-VA)
Floyd J. Fithian (D-Ind.)
Thomas S. Foley (D-Wash.)
L. H. Fountain (D-NC)*
Bill Frenzel (R-Minn.)
Sam Gibbons (D-FL)
Benjamin A. Gilman (R-NY)*
William F. Goodling (R-PA)*
William H. Gray III (D-PA)
William S. Green (R-NY)
Frank J. Guarini (D-NJ)
Tennyson Guyer (R-OH)
Tony P. Hall (D-OH)
Lee H. Hamilton (D-Ind.)*
Harold C. Hollenbeck (R-NJ)
Andy Ireland (D-Fla.)*
Ed Jenkins (D-GA)
James R. Jones (D-OK)

Dale E. Kildee (D-Mich.)
Raymond F. Lederer (D-PA)
Paul N. McCloskey, Jr. (R-CA)
Edward R. Madigan (R-Ill.)
Dan Mica (D-FL)
Robert H. Michel (R-Ill.)
Abner J. Mikva (D-Ill.)
Donald J. Mitchell (R-NY)
John M. Murphy (D-NY)
Stephen L. Neal (D-NC)*
Thomas P. O'Neill, Jr. (D-Mass.)*
Melvin Price (D-Ill.)*
Joel Pritchard (R-Wash.)
J. Danforth Quayle (R-Ind.)
Charles B. Rangel (D-NY)
Henry S. Reuss (D-Wis.)
John J. Rhodes (R-AZ)
Benjamin Rosenthal (D-NY)*
James H. Scheuer (D-NY)
James M. Shannon (D-Mass.)
Paul Simon (D-Ill.)*
Stephen J. Solarz (D-NY)*
Louis Stokes (D-OH)
Gerry E. Studds (D-Mass.)*
Samuel S. Stratton (D-NY)*
Charles A. Vanik (D-OH)
Jamie L. Whitten (D-Miss.)
Larry Winn, Jr. (R-Kan.)*
Timothy E. Wirth (D-Colo.)*
Lester L. Wolff (D-NY)
Howard Wolpe (D-Mich.)
Jim Wright (D-TX)
Clement J. Zablocki (D-Wis.)*

NON-CONGRESSMEN

Kirk O'Donnell (Speaker's Staff)
Ari Weiss (Speaker's Staff)

*Note: Attended briefing during the past summer.

THE WHITE HOUSE
WASHINGTON

2/7/79

Attorney General Bell

The attached was returned in the
President's outbox today and is
forwarded to you for your information.

Rick Hutcheson

cc: Tim Kraft

VP's office

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	VICE PRESIDENT
	JORDAN
	EIZENSTAT
/	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	RAFSHOON
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
/	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARONSON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	HARDEN
	HERNANDEZ
/	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
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HARVARD UNIVERSITY

LAURENCE H. TRIBE
Professor of Law



FACULTY OFFICE BLDG. 307
CAMBRIDGE, MASSACHUSETTS 02138
(617) 495-4621

6261 NAC 46

January 17, 1979

Mr. Timothy E. Kraft
Assistant to the President
The White House
Washington D.C.

*To Griffin Bell.
Spine-chilling
questions -
JC.*

Dear Tim,

I'm enclosing the memo you asked me to prepare on the subject of the call for a balanced budget convention. It's longer than you or I expected, mostly because the subject seems to me both complex enough and crucial enough to require fairly full treatment. An assistant of mine, David Remes, helped with the background research and made it possible for me to put together something I think you should find useful. At least I hope it does the trick.

I'd be glad to come down to chat about any questions you or the President might have, or to help in any other way that makes sense. The issue is one that's really sneaking up on the country, and the challenge it poses isn't one we can afford to ignore or to defer.

Sincerely,

Laurence H. Tribe

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HARVARD UNIVERSITY
LAW SCHOOL

LAURENCE H. TRIBE
Professor of Law



FACULTY OFFICE BLDG. 307
CAMBRIDGE, MASSACHUSETTS 02138
(617) 495-4621

MEMORANDUM

January 17, 1979

TO: Tim Kraft
The White House

FROM: Larry Tribe

SUBJECT: A "Balanced Budget" Constitutional Convention

Article V of the Constitution provides that Congress, on the application of the legislatures of two-thirds of the states, shall call a convention for the purpose of proposing amendments. Twenty-two states have already passed resolutions asking Congress to call an Article V Convention to propose a balanced budget amendment. This memorandum responds to your request for my thoughts about the campaign for such a convention.

I. SUMMARY

Holding an Article V Convention to write a balanced budget policy into the Constitution would be unwise for at least two sets of reasons.

First, the Constitution embodies fundamental law and should not be made the instrument of specific social or economic policies -- particularly when those policies could be effected more sensitively and realistically through congressional or executive action within the existing constitutional framework.

Second, it would be a mistake to take the uncharted course of an Article V Convention while the well travelled route of amendment by congressional initiative remains open -- particularly when the nation badly needs to recover from an era of division, uncertainty, and unrest.

Great political caution nonetheless seems due in opposing the current convention campaign. The calls for a balanced federal budget and a limited rate of growth in federal spending reflect at least some sound aspirations and are widely supported. Opposition to an amendment in this area should thus be coupled with a reaffirmation of commitment to fiscal austerity as a policy objective. Moreover, at least in theory, the convention device itself is preeminently democratic, and resistance to its use can easily be made to appear anti-populist. To avoid such an impression, one should oppose an Article V Convention in the fiscal context not as too open-ended an opportunity for the people to alter their Constitution, but rather as a complex, perilous, and needless undertaking -- one likely to generate uncertainties where confidence is indispensable, one likely to invite division and confrontation where unity

is critical, one likely to thwart rather than vindicate the will of the American people and damage rather than mend the fabric of the Constitution.

II. THE IMPROPRIETY OF WRITING A BALANCED BUDGET POLICY INTO THE CONSTITUTION

A. The Constitution Embodies Fundamental Law and Should Not be Trivialized as the Instrument of Specific Social or Economic Policies.

To endure as a source of unity rather than of division, the Constitution must embody only our most fundamental and lasting values -- those defining the structures by which we govern ourselves, and those proclaiming the human rights government must respect. As Justice Holmes wrote at the turn of the century, "a Constitution is not intended to embody a particular economic theory, whether of paternalism and the organic relation of the citizen to the state or of laissez faire."* Unlike the ideals rightly embodied in our Constitution, however, fiscal austerity -- though sound as a current goal -- speaks neither to the structure of government nor to the rights of the people. It is symptomatic of this difference that, unlike values infusing the basic structures of fundamental rights, the goal of a balanced budget would have to couch its policies either

* Lochner v. New York, 198 U.S. 45, 75 (1904) (dissenting opinion).

in such flexible and general terms as to be virtually meaningless, or in such rigid and specific terms as to be unthinkably extreme -- or in such great detail as to be wholly out of place in a constitution.

Consider, for example, what it would mean if the Constitution today actually required that the federal budget be balanced. The implications of such a mandate for the most vital programs, for the national security, for economic growth, and for the burdens of federal taxation are staggering to contemplate. Surely the mandate would have to incorporate major exceptions -- loopholes large enough, it would seem, to drive the federal budget through -- in order to avoid disastrous consequences in just such periods as the present. That very fact underscores the folly of engraving the policy of fiscal austerity in the Constitution. Thus the currently popular ideal of a balanced budget should not be frozen into our fundamental law.*

Experience, no less than intuition, counsels against the incorporation of particular social or economic programs into the Constitution -- even assuming that a balanced budget policy could be expressed in terms that would make sense in that document. Slavery is the only economic arrangement our Constitution has ever specifically endorsed, and prohibition

* For contrary views, see, e.g., "Brown Stresses Conservatism in Inaugural," N.Y. Times, Jan. 10, 1979, at A1, col.3 (urging California to become 23d state to apply for balanced budget convention); "Friedman Urges Amendment to Set a Limit on Government Spending," N.Y. Times, Oct. 25, 1976, at 44, col.6.

the only social policy it has ever expressly sought to implement. It demeaned the Constitution to embrace slavery and prohibition not only because one was evil and the other intolerant, but also because neither arrangement expressed the sorts of broad and enduring ideals to which both the Constitution and the country can be committed -- not just over a decade or two, but for centuries. The goal of fiscal austerity expresses no such ideals -- notwithstanding its immediate popular appeal or the long-term soundness of at least some of its premises.

Because the Constitution is meant to express fundamental law rather than particular policies, it should be amended only to modify fundamental law -- not to accomplish partisan goals. Thus Madison described the amendment process not as a mere alternative to the legislative mode, but as a means of correcting the "discovered faults" and "errors" in the Constitution itself.* That was plainly true of the first fifteen amendments. And, of the eleven amendments ratified since Reconstruction, all but two have served the purpose envisioned by Madison. Five have extended the franchise, three have involved presidential eligibility and succession, and one -- permitting a federal income tax -- gave to the federal government a power previously held unconstitutional by the Supreme Court. Of the two exceptional amendments, one attempted to enact a social policy -- prohibition. The other amendment repealed the first.

* The Federalist No. 43, at 296 (J. Cooke ed. 1961).

Thus a balanced budget amendment would be an anomaly not only in view of the Constitution's mission, but also in light of its history.

B. The Amendment Process Should Not be Used to Achieve Aims That May be Better Realized Through Congressional or Executive Action.

Even prohibition was a more appropriate subject for the amendment process than a balanced budget would be. For unlike fiscal policy, which lies at the heart of the congressional mandate, temperance could not be legislated for the nation by Congress without express constitutional authorization. A balanced budget amendment would therefore be objectionable not only because it would transform a specific economic policy into fundamental law, but also because there would be no need to amend the Constitution even if one wished to make the pursuit of that policy the law of the land.

Legislation has in fact been introduced in the last three Congresses promoting the objectives of the balanced budget amendment. The President has worked to serve those objectives as well -- and he has stressed to the public his continuing commitment to them. The matter is indeed much too complex to deal with through the sorts of generalities that belong in a constitution; it calls for the nuances and distinctions that can best be embodied in statutes, regulations, and executive programs.

Needlessly amending the Constitution injures our political system at its core. Once the amendment device had been transformed into a fuzzy substitute for the more focused legislative process, not only would the lawmaking function of Congress be eroded, but the Constitution itself would lose its unique significance as the ultimate expression of fundamental and enduring national values. If the Carter Administration were to continue its drive in Congress for action looking toward a balanced budget at the earliest feasible time, while resisting the abuse of the amendment device threatened by the current convention campaign, the Administration would thus visibly serve the national interest, preventing the Constitution's devaluation.

To be sure, this devaluation of the Constitution would not occur overnight. But until the Constitution had been effectively reduced to a shifting package of legislative commitments, each policy enshrined as an amendment would bind the government far more tightly than ordinary law. Obviously the proponents of the balanced budget amendment desire this very effect, but responsible opinion must resist any such constitutional strait-jacket for the nation. In few areas are flexibility and rapid responsiveness to changing circumstances more vital than in the realms of fiscal and monetary policy. Until the Constitution becomes easier to alter than it has ever been or should ever become, it will remain the least appropriate instrument for American economic policy. For just this reason, even those

sympathetic to its goals have described the balanced budget amendment as a "blunt weapon" that "would be flawed with a certain troubling rigidity" if ratified.*

Perhaps infused with a deeper understanding of the purpose of the amendment device than today's proponents of the balanced budget amendment have displayed, advocates of most earlier Article V Conventions have not sought to achieve through amendment what congressional and executive action could accomplish at least as well. Those advocates pursued ends that simply could not have been achieved without revising the Constitution itself -- for example, the direct election of senators; the prohibition of polygamy; the repeal of the eighteenth amendment; the limitation of presidential tenure; the modification of the presidential treaty-making power; the reversal of constitutional holdings by the Supreme Court involving reapportionment, school prayer, abortion, and busing; and the general revision of the Constitution. Whatever one may think of the specific ends sought by the advocates of those amendments, one cannot fault those advocates for aiming needlessly to circumvent the ordinary channels of change offered by Congress and the Executive Branch, or for tampering with the Constitution when less drastic remedies would not only have sufficed but would have been more focused and effective.

* Editorial, "The New, New Federalism," Wall St. J., Jan. 10, 1979, at 22, col.1.

III. THE ARTICLE V CONVENTION: A RELUCTANT COMPROMISE OF DUBIOUS PRESENT VALUE

Even if it were wise to amend the Constitution in order to mandate a balanced budget, calling an Article V Convention would be an exceedingly unsound means of achieving the desired end. Understanding why this is so requires a brief digression into the history of the convention mechanism.

The Article V Convention device was a compromise between those at the 1787 Constitutional Convention who believed that the states should have unchecked power to amend the Constitution, and those who considered congressional involvement an essential safeguard for groups and interests that might otherwise be sacrificed to the majority's will. The plan of union originally submitted to the Federal Convention by Edmund Randolph of the Virginia delegation stated that "provision ought to be made for the amendment of the Articles of Union whensoever it shall seem necessary, and that the assent of the National Legislature ought not to be required thereto."* The underscored clause was rejected by the Committee on the Whole; as Hamilton explained, if the convention process were entirely free of control by Congress, "the State legislatures will not apply for alterations but with a view to increase their own

* I J. Elliot, The Debates in the Several State Conventions on the Adoption of the Federal Constitution 120 (2d ed. 1836) (emphasis added).

powers."* The Article V Convention provision as it was finally accepted marks the compromise, offered by Madison, between those Framers who supported Randolph's view and those who shared Hamilton's.**

Like many compromises among conflicting interests, the Article V Convention provision is strikingly vague. It provides only that "[t]he Congress . . . on the Application of the Legislatures of two-thirds of the several States, shall call a Convention for proposing amendments" One of the few points on which authorities generally agree is that the Article V Convention device is appropriately utilized only in extraordinary circumstances -- when a determined Congress rides roughshod over the interests of the states, or stubbornly refuses to submit for possible ratification an amendment widely desired by the states. Neither is the case today.

As for the hundreds of state applications that have been made to Congress since 1789,*** "[t]here can be no doubt that many [of those] petitions . . . were initiated not in the belief that Congress would convene a Constitutional Convention, but in the hope that the petitions would spur Congress to adopt a suggested proposal as its own and submit it to the States for

* II Farrand, The Records of the Federal Constitutional Convention of 1787, at 558 (rev. ed. 1937).

** Id. at 559-60.

*** A list of such applications made through 1974 is set forth in ABA Special Constitutional Convention Study Committee, "Amendment of the Constitution by the Convention Method Under Article V" 59-69 (1974).

ratification under the [congressional initiative] method of amending the Constitution."* If the current convention drive were meant simply to spur Congress to draft and submit to the states a balanced budget amendment of its own, the nation might not have to face the risks and resolve the riddles of the Article V Convention device. But twenty-two states have already applied to Congress for a convention, and at least twelve more are expected to have applied by late spring this year -- which would trigger a call by Congress for an Article V Convention.**

It is hard to imagine a less opportune moment for such a potentially revolutionary step. The past decade has been among the most turbulent in the nation's history. The Vietnam War, the near-impeachment of a President, political assassinations, economic upheavals -- it is hardly necessary to enumerate the many storms we have weathered. If, as a result of those bitter experiences, it is now time for self-healing and consolidation, for a return to basic concerns and a turning away from confrontation and division, little could be worse for the country than to risk the possible trauma of our first Constitutional Convention since 1787.

Indeed Jefferson, who considered the lack of a Bill of Rights in the Constitution a major defect in the draft originally submitted to the states, told Madison that he would

* Brickfield, Problems Relating to a Federal Constitutional Convention 8 (Staff Report for the House Comm. on the Judiciary, 85th Cong., 1st sess.) (Comm. Print 1957).

** "Theme For '80," Time, Jan. 22, 1979, at 29, col.1.

not oppose the Constitution's adoption -- in order to avoid a second Convention. In calmer times, when national wounds have not been so recently inflicted, and when single-issue disagreements did not run so deep, the risk of another Convention might be worth running -- if the need were sufficiently great and if other avenues of constitutional change had been exhausted. That is a time in which we do not yet live.

Particularly in a period of recovery from an era of unrest, it is vital that the means we choose for amending the Constitution be generally understood and, above all, widely accepted as legitimate. An Article V Convention, however, would today provoke controversy and debate unparalleled in recent constitutional history. For the device is shrouded in legal mystery of the most fundamental sort, as the following section will explain.

IV. ANSWERABLE AND UNANSWERABLE QUESTIONS ABOUT ARTICLE V CONVENTIONS

In fairness, one must concede that a few of the questions periodically raised about Article V Conventions do in fact have clear answers. Thus, although questions have from time to time been raised about Congress' duty to call an Article V Convention after two-thirds of the state legislatures have duly petitioned Congress to do so, neither the text nor the history of Article V leaves any reasonable doubt as to the answer: "The

Congress, . . . on the Application of the Legislatures of two-thirds of the several States, shall call a Convention for proposing Amendments" In this context, "shall" clearly means "must."* It is equally clear that amendments proposed by any such Convention are to become part of the Constitution "when ratified by the Legislatures of three-fourths of the several States, or by Conventions in three-fourths thereof, as one or the other Mode of Ratification may be proposed by the Congress" Unless three-fourths of the states ratify in accord with the method Congress specifies, no amendment proposed by an Article V Convention can become the law of the land. Finally, although the text of Article V is silent on the point, it is clearly settled that the President has no role to play in the amendment process.

As to amendments initiated in the familiar way -- by a two-thirds vote of both Houses -- a good deal more could be said. But as to the untried Convention route, the preceding paragraph says all that is known or knowable. Nor should one suppose that the remaining matters involve minor technical questions which could readily be settled by Congress or the courts. On the contrary, the process of amending by Convention is characterized by fundamental uncertainties that yield to no ready mechanism of resolution. In an area demanding confidence and certainty, those issues stand as overwhelming obstacles to both.

* See The Federalist No. 85, at 593 (J. Cooke ed. 1961) (Hamilton).

The objection to calling an Article V Convention is based not on misgivings at the prospect of unchecked democracy, nor on any vague apprehension about unsealing a Pandora's box, nor on a reflexive preference for the familiar over the unknown. Inherent in the Article V Convention device is the focused danger of three distinct confrontations of nightmarish dimension -- confrontations between Congress and the Convention, between Congress and the Supreme Court, and between the Supreme Court and the states. However democratic an Article V Convention might be in theory, such a convention would inevitably pose enormous risks of constitutional dislocation -- risks unacceptable while recourse may be had to an alternative amendment process (the congressional initiative) that can accomplish the same goals without running such serious risks.

A. The Risk of Confrontation Between Congress and the Convention.

The primary threat posed by an Article V Convention is that of a confrontation between Congress and the Convention. Upon Congress devolves the duty of calling a convention on application of the legislatures of two-thirds of the states, and approving and transmitting to the states for ratification the text of any amendment or amendments agreed upon by the convention. The discretion with which Congress may discharge this duty is pregnant with danger under even the most salutary conditions.

Specifically, consider the wholly incidental yet critical disagreements that could arise as Congress endeavored in good faith to discharge its Article V duties. With no purpose whatsoever of avoiding its duty, Congress might nevertheless decide procedural questions arguably within its discretion in a manner that frustrated the desire of the states to call and conduct a convention -- by treating some applications as invalid, or by withholding appropriations until the Convention adopted certain internal reforms, or by refusing to treat certain amendments as within the Convention's scope. As a result, the nation might well be subjected to the spectacle of a struggle between Congress and a Convention it refused to recognize -- a struggle that would extend from the Convention's own claim of legitimacy to disputes over the legitimacy of the Convention's proposed amendments. Such a struggle would undoubtedly be judicial as well as political, and thus draw the Supreme Court into the fray. See Sections B and C infra. Considering the seriousness with which Congress and the Convention would take each other's challenge in light of the monumental stakes -- constitutional power -- it is unlikely that either side would surrender before the contest had deeply bruised the nation. Such a contest between Congress and the Convention, which could flare from a single procedural dispute in the balance of which hung the Convention's fate, the nation could ill afford.

B. The Risk of Confrontation Between Congress and the Supreme Court.

In the event of a dispute between Congress and the Convention over the congressional role in permitting an Article V Convention to proceed, the Supreme Court would almost certainly be asked to serve as referee. Because the Court would be obliged to protect the interests of the states in the amendment process, it cannot be assumed that the Court would automatically decline to become involved on the ground that the dispute raised a non-justiciable political question. In any event, depending upon the political strength of the parties to the dispute, a decision to abstain would amount to a judgment for one side or the other. Like an official judgment on the merits, such a practical resolution of the controversy would leave the Court an enemy either of Congress or of the Convention and the states that called it into being.

Even in the absence of such a dispute over the Convention's initiation and completion, the Court could become embroiled in a confrontation with Congress over the limits of congressional power under Article V. For example, a bill introduced in the last Congress by Senators Helms, Goldwater, and Schweiker, entitled the "Federal Constitutional Procedures Act," S.1880, 95th Cong., 1st Sess. §7(a) (1977), provided, in part: "A convention called under this Act shall be composed of as many delegates from each State as it is entitled to Senators and Representatives in Congress. In each State two delegates shall

be elected at large and one delegate shall be elected from each congressional district in the manner provided by law." One may readily guess that, were Congress to apply such a provision in the exercise of its Article V powers, the Supreme Court would be asked to decide whether the one-person, one-vote rule is applicable to a national constitutional convention.* Similarly, a rule prescribed by Congress providing that "a convention called under this Act may propose amendments to the Constitution by a vote of the majority of the total number of delegates to the convention," S.1880, supra, §10(a), might be challenged as an unconstitutional attempt to regulate the internal procedures of an Article V Convention.** Whether the Court, once called upon to vindicate the one-person, one-vote principle or the autonomy of a convention, would invalidate an act of Congress passed pursuant to Article V is no doubt an open question. But the stress that a decision either way would place upon our system is another unwelcome possibility inherent in the Article V Convention device. Like the risk of confrontation between Congress and the Convention, the possibility of conflict between the Supreme Court and Congress is, of course, not peculiar to the Article V Convention device. But this device, which carries the potential for such grave clashes of power, should be utilized only if no alternative process is at hand.

* See ABA Special Constitutional Convention Study Committee, "Amendment of the Constitution by the Convention Method Under Article V" 34 (1974) (concluding that the rule is applicable) [hereinafter cited as ABA Report].

** See ABA Report, supra, 19-20 (characterizing such an attempt as unwise and of questionable validity).

C. The Risk of Confrontation Between the Supreme Court and the States.

A decision upholding against challenge by one or more states an action taken by Congress pursuant to Article V would, needless to say, be poorly received by the states involved. Truly disastrous, however, would be any result of a confrontation between the Supreme Court and the states over the validity of an amendment proposed by their convention. Yet the convention process could, quite imaginably, give rise to judicial challenges that would cast the states into just such a conflict with the Supreme Court.

It is true that such conflicts are theoretically possible even when the more familiar amendment route -- the congressional initiative -- is followed. But in that context it has been settled for over half a century that Congress exercises exclusive control over the mode of an amendment's ratification, and thus has the last word on such matters as attempted rescission and the timeliness of ratification.* When the familiar route is taken, therefore, the established preeminence of Congress militates against any divisiveness arising from a conflict involving the states -- although even along this familiar route passions may sometimes run high, as the recent debates over extension and rescission of the Equal Rights Amendment demonstrated. But when the alternative course of an Article V Convention

* See Dillon v. Gloss, 256 U.S. 368 (1921); Coleman v. Miller, 307 U.S. 433 (1939).

is chosen, soothing assertions of congressional supremacy are bound to be undercut by reminders that the Convention device was, after all, meant to evade control by Congress. And, once such battle lines are drawn where Congress' authority is not widely recognized, the ensuing debate is sure to be vehement.

D. The Absence of Acceptable Answers in Such Confrontations.

Having indicated at the outset of Part IV of this memorandum that a few questions about the Article V Amendment device do indeed have clear answers, I would reiterate here that a large number of critical questions are completely open. These are questions that could well arise in one or more of the confrontations sketched above. As to each of those questions, one can find a smattering of expert opinion and some occasional speculation. But for none of them may any authoritative answer be offered. To make the point forcefully, one need only present a catalogue of the basic matters on which genuine answers simply do not exist -- the matters as to many of which protracted dispute could surely be expected:

1. The Application Phase.

- a. Must both houses of each state legislature take part in making application to Congress?
- b. By what vote in each house of a state legislature must application to Congress be made?
Simple majority? Two-thirds?

- c. May a state governor veto an application?
- d. When, if ever, does a state's application lapse?
- e. Must every application propose a specific subject for amendment, or may a state apply to revise the Constitution generally?
- f. What of applications proposing related but slightly different subjects or amendments? By what criteria are distinct applications to be aggregated?
- g. May a state rescind its application? If so, within what period and by what vote?
- h. What role, if any, could a statewide referendum have in mandating or forbidding an application or a rescission?

MAY CONGRESS AUTHORITATIVELY ANSWER ANY OR ALL OF THE ABOVE QUESTIONS? MAY THE STATES? COULD SUCH ANSWERS APPLY TO APPLICATIONS ALREADY MADE? WHAT ROLE, IF ANY, WOULD COURTS PLAY IN ANSWERING SUCH QUESTIONS? EVEN THESE QUESTIONS (ABOUT WHO HAS THE POWER TO DECIDE) MUST BE DESCRIBED AS UNANSWERABLE.

2. The Selection and Function of Delegates.

- a. Who would be eligible to serve as a delegate?
- b. Must delegates be specially elected? Could Congress appoint its own members?
- c. Are states to be equally represented, as they were in the Convention of 1787?
- d. Would the one-person, one-vote rule apply instead, as it does to all legislative bodies except the Senate?
- e. Would delegates be committed to cast a vote one way or the other on a proposed amendment?
- f. Would delegates enjoy immunities parallel to those of members of Congress?
- g. Are delegates to be paid? If so, by whom?

WHICH OF THESE QUESTIONS, IF ANY, MAY CONGRESS AUTHORITY-
TATIVELY ANSWER? HOW MUCH SUPERVISION MAY CONGRESS
EXERCISE OVER THE SELECTION AND FUNCTION OF DELEGATES?
WHAT SUPERVISORY ROLE WOULD THE COURTS PLAY?

3. The Convention Process.

- a. May Congress prescribe any rules for the Convention or limit its amending powers in any way? In 1911, Senator Heyburn opined that, "[w]hen the people of the United States meet in a constitutional convention there is no power to limit their action. They are greater

than the Constitution, and they can repeal the provision that limits the right of amendment. They can repeal every section of it, because they are the peers of the people who made it."* Was he right or wrong? If he was right, then an Article V Convention could propose amendments on any imaginable subject.

- b. How is the Convention to be funded? Could the power to withhold appropriations be used to control the Convention?
- c. May the Convention remain in session indefinitely? May it agree to reconvene as the need arises?

AGAIN UNKNOWNABLE ARE THE RESPECTIVE ROLES OF CONGRESS, THE STATES, AND THE COURTS IN RESOLVING THESE MATTERS.

4. Ratification of Proposed Amendments.

- a. To what degree may Congress -- under its Article V power to propose a "Mode of Ratification," or ancillary to its Article V power to "call a Convention," or pursuant to its Article I power under the Necessary and Proper Clause -- either refuse to submit a proposed amendment for ratification or decide to submit such an amendment under a severe time limit? What if Congress and the Convention disagree?

* 46 Cong. Rec. 2769 (Feb. 17, 1911).

- b. May Congress permit or prohibit rescission of a state's ratification vote? May the Convention? What if Congress and the Convention disagree?

UNKNOWNABLE ONCE AGAIN ARE THE RESPECTIVE ROLES OF CONGRESS, THE STATES, AND THE COURTS IN PROVIDING A DEFINITIVE RESOLUTION IN THE EVENT OF DISAGREEMENT.

V. CONCLUSION

The call for an Article V Convention to write a balanced budget requirement into the Constitution reflects profoundly misguided views of how national fiscal policy should be implemented and how the nation's fundamental law should be amended. Of doubtful wisdom at any time, such a call especially misreads the needs of the country today. I would hope it also misreads the country's mood -- a mood that presidential leadership can help to shape.

Whitten

2-7-79

Ag. CL

Deficit = Hold expen level

Labor/Health +

For Aid -

Defense polit +

Pub lks port +

Budget task force

Recessions - \$915mil 3/27

No fake cuts → add-on

Econ assumptions ok

RW1

Hosp Costs. SocSec. Food Stamp

Stop budget busting bills

WBK - Political

~~US~~ Is - Eg - Ju - SA + ?

- Iran - anti - com - 3 mil bbl

Abbreviate if possible
China - PRC/old war
Iran Rts -

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2/7/79

(?)

Strong US

Broaden influence

* China

* Panama

* SALT

* MTN

Mexico

US/SU influence

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THE WHITE HOUSE
WASHINGTON

2/7/79

stu met for about an hour
and a half with the teamsters
executive board on real wage
insurance. there's a good
chance they will endorse it
this week or next. not certain,
but leaning in that direction.

good
J

Bill Armstrong Colo - uc
Rudy Boschwitz - Mn - M-B
Thad Cochran - Ms - uc
Bill Cohen - Me - M
David Durenberger - Mn - M
Roger Jepsen - Io - uc
Nancy Kassebaum - Kn - M
Larry Pressler - SD - M
Alan Simpson - Wy - c
John Warner Va - M

Farmers - Beef imports -
SALT - linkage - nonpartisan

breakfast with new
senators 2/7/79

Breakfast - 2-7-79

THE WHITE HOUSE
WASHINGTON

11:40 A.M. WEDNESDAY
FEBRUARY 7, 1979

MR. PRESIDENT

SENATOR KENNEDY CALLED.

PHIL

*"Most eloquent --
magnificent"*

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meeting with Javits, Moynihan,
Gov. Carey, Mayor Koch 2/7/79

THE WHITE HOUSE
WASHINGTON

NYC mtg 2-7-79

7480	433
81	859
82	1100

Cum & CC - \$117 in '80

+ \$ 300 mil entitlement
79 → 7480 + \$ 200 mil incl of \$ 250 79
EPA + 124 house + 59

City guarantee act

last yr Fed aid + NYS + 1/3

W'sone reform 74'82 \$150-180 NYS

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Mexico interviews 247179

Aviation. Tourism. Trade
drugs. prisoners - S&T
fisheries & maritime

Mexico new leader -
pop > W Europe nation

Latin Am trading
N \$10 Bil partner
Trade - development

Duty free 2X/24hrs

Panama. arms. Nuclear
human rts. democracy
20 million. 450 TV &
Radio

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THE WHITE HOUSE
WASHINGTON

Kahn breakfast 2-7-79

Hosp insurance

Limits on banks - Proxmire

RW1 - AFL/CIO mods - Food, energy, A
RW I important

Held as is

Califano - Stop routine tests

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THE WHITE HOUSE
WASHINGTON

2/7/79

Jim McIntyre

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

cc: Stu Eizenstat

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FEB 7 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Jim McIntyre *Jim*
SUBJECT: Renaming HEW in Department of Education
Bill

We are sending to the Congress on Wednesday, February 7, the Administration's Department of Education bill. The bill includes a provision to rename the Department of Health, Education and Welfare. Last year, the bills renamed it "Health and Welfare." Secretary Califano objects to this and prefers "Health and Human Services." OMB concurs with HEW's recommendation. What is your preference?

Health and Welfare _____

Health and Human Services ☒ _____ (HEW, OMB, DPS)

Other _____

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12:20 PM

THE WHITE HOUSE

WASHINGTON
February 6, 1979

MEMORANDUM TO THE PRESIDENT

FROM: ANNE WEXLER *AW*

SUBJECT: MEETING WITH THE BOY SCOUTS OF AMERICA
WEDNESDAY, FEBRUARY 7, 1979 12:20 PM (5 MINUTES)
THE OVAL OFFICE

I. PURPOSE

To receive the 1978 Report to the Nation.

II. BACKGROUND, PARTICIPANTS, PRESS

- A. Background: The President of the United States traditionally serves as Honorary President of the Boy Scouts of America. The Boy Scouts' Report to the Nation has been an annual event since 1910.
- B. Participants: List attached.
Staff: Anne Wexler, Ellen Metsky.
- C. Press: Press photo opportunity.

III. TALKING POINTS

- A. Commend scouting for beginning to distribute 5 million copies of an energy booklet for the Department of Energy. (This continues the energy conservation program you requested of scouting in 1977.)
- B. As a past cubmaster, scoutmaster, and explorer advisor, I challenge the movement to continue to develop this great potential for the future.
- C. As a scouting family the Carters have always valued the objectives of the Boy Scouts of America. Belief in God and duty to our country must continue to be held high if we are to grow as a nation.

IV. CEREMONY OUTLINE

- A. President Carter enters and welcomes the group to the White House.

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- B. Vice President of the Boy Scouts John Sloan will make opening comments and introduce each of the presentors.
- C. Cub Scout National Youth Representative Robert Turula will present your membership card.
- D. Scout National Youth Representatives John Gelinas and Erskine Faush will present the 1978 Report to the Nation and the latest edition of the Boy Scout Handbook.
- E. Explorer National Youth Representative Nancy Winecoff will present a china plate depicting Norman Rockwell's painting "Pointing the Way".

REPORT TO THE NATION CEREMONY PARTICIPANTS

Erskine R. Faush, Jr.
Scout National Youth Representative

Harry R. Forrest
Director of Low Income Program Development

John G. Gelinas, Jr.
Scout National Youth Representative

Jeffrie A. Herrmann
Order of the Arrow Lodge Chief

Walter H. Nixon
National Event Service

Harvey Price
Chief Scout Executive

Joanne and Ronald Rupp
Lay Advisor Report to the Nation

John Sloan
Vice-President BSA

Robert C. Turula
Cub Scout National Youth Representative

Nancy Winecoff
Explorer National Youth Representative
National Explorer President

12:25 PM

THE WHITE HOUSE

WASHINGTON

Meeting with Steve Elkins
Wednesday, February 7, 1979
12:25 p.m.
(2 minutes)
The Oval Office

(by: Fran Voorhees) *fr*

I. PURPOSE: Brief, farewell photo opportunity

II. BACKGROUND, PARTICIPANTS, PRESS:

A. Background: Steve left the White House Staff the first of this year to join Lee Kling's staff in St. Louis.

While at the White House, he worked under Hugh Carter and then Richard Harden.

Steve, originally from Atlanta, joined your staff early in 1976 working in the Atlanta campaign headquarters under Richard Harden.

Because of the Christmas holidays, we were unable to schedule the farewell photo at that time---he is back in Washington for a few days and requested that we do so.

B. Participants: The President
Steve Elkins

C. Press: White House Photographer

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12:15 PM

THE WHITE HOUSE

WASHINGTON

Meeting with Edward "Eddie" Khayat and Lum Cumbest

Wednesday, February 7, 1979

12:15 p.m.

(3 minutes)

The Oval Office

(by: Bill Simpson)

I. PURPOSE: Brief photo opportunity

II. BACKGROUND, PARTICIPANTS, PRESS:

A. Background: Eddie Khayat is President and Lum Cumbest, Vice President, of the Jackson County, Mississippi, Board of Supervisors. Both are political leaders and supporters of the President.

B. Participants: The President
Eddie Khayat
Lum Cumbest
Bill Simpson

C. Press: White House Photographer only

III. TALKING POINTS:

- (1) Jackson County is the growth "hot spot" of Mississippi (home of the Litton "Shipyard of the Future" - Standard Oil Refinery - other heavy industry). The Board of Supervisors has provided the leadership for this progress.
- (2) Principal problem there is lay offs at the Shipyard as Navy contracts near completion. The President's Economic Adjustment Committee, chaired by the Secretary of Defense and including the heads of 17 other Federal agencies, is at work now with local and state officials to mitigate this problem.

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12:10 PM

THE WHITE HOUSE

WASHINGTON

February 5, 1979

MEETING WITH MR. RALPH A. LYNAM

Wednesday, February 7, 1979

12:10 p.m. (5 minutes)

The Oval Office

From: Anne Wexler

AW

I. PURPOSE

Courtesy call by Mr. Ralph A. Lynam of Alma, Michigan,
President of Lions Clubs International

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Lions Clubs International is the largest service club organization in the world with a total membership of 1,200,000 members in 32,000 clubs located in 151 countries. It has been traditional for the President of the United States to receive the President of Lions Clubs International each year. Last year you greeted International President Joseph M. McLoughlin of Stamford, Connecticut.

In December, 1978, discussions were held between the staff of the Lions and the White House staff regarding the use of the Lions magazine for an anti-inflation story.

B. Participants: Ralph A. Lynam
Doty Lynam (wife)
Michael J. Fedewa (grandson)
Christopher J. Fedewa (grandson)
Frank Brueske (Public Relations Manager)

Richard A. Reiman, staff

C. Press Plan: White House Photo

III. TALKING POINTS

1. President Carter has been a member of the Plains Lions Club since 1953 and served as District Governor in 1968 and 1969.

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2. Lions Clubs International's largest activity is their work with the blind and they provide community leadership whenever needed. The emphasis in 1978-1979 is with the deaf and hearing impaired.
3. Mr. Lynam will offer the use of the May issue of the Lions magazine for an anti-inflation cover story. This magazine reaches approximately 560,000 people in the United States.

Fred Kahn's office and Richard Reiman of Hamilton Jordan's office are already in touch with the Lions staff regarding the article.

4. The President will be presented with the Lions Presidential Award for outstanding Lions. The award is a medal and ribbon with the logo of the Lions president.
5. Mr. Lynam will also present the President with a special Lions plaque. The President was presented with the Head of State plaque last year, an award which can only be presented to a head of state once.

2:00 PM

THE WHITE HOUSE

WASHINGTON

February 6, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT
ORIN KRAMER



SUBJECT:

Meeting With Senator Moynihan et al

I. PURPOSE OF MEETING

Senator Moynihan requested this meeting to discuss welfare reform and other issues of importance to New York. The primary focus of the participants will be on New York City's impending fiscal problems and their request for increased federal aid.

II. PARTICIPANTS AND PRESS PLAN

Senator Daniel Patrick Moynihan
Senator Jacob Javits
Governor Hugh Carey
Mayor Ed Koch
Secretary to the Governor, Robert Morgado
Director of New York State Washington Office, Brad Johnson
Deputy Mayor Phil Toia
New York City Budget Director, Jim Bringham
Secretary of the Treasury, Mike Blumenthal
Secretary of HEW, Joe Califano

Press Plan: None

III. PARTICIPANTS' AGENDA

The participants are likely to make the following arguments:

-- The City's fiscal outlook has deteriorated because of reduced prospects for federal aid. Mayor Koch is testifying before Senator Proxmire on February 7 that he is committed to take whatever actions are necessary to balance the budget by 1982 as required under the City's Financial Plan, but he

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will argue that extremely damaging cutbacks will be required if increased federal aid does not materialize. Senator Moynihan's publicly stated view is bleaker: that the City simply cannot comply with the Plan and faces bankruptcy if more federal aid is not forthcoming. Moynihan views a generous fiscal relief component through welfare reform as necessary to resolve the City's fiscal crisis.

-- Their basic argument, which they may not state explicitly, is that the Administration dealt with the City's financing (i.e., borrowing) problem through the Loan Guarantee Act, but that the Administration has not adequately addressed the underlying problem which causes the City's credit difficulties, i.e., the budget deficit. They will argue that their commitment to balance the City's budget by 1982 was predicated on certain assumptions about increasing federal aid, that Treasury initially characterized those assumptions as valid, and that the prospective "shortfall" in federal aid constitutes a "breach of faith" with the City.

-- Consequently, they will ask you to redeem the Administration's "commitment" to increased federal aid, through welfare reform and a variety of other actions.

This memorandum describes the City's budget outlook, the real nature of the Administration's "commitment," and a recommended strategy for the meeting.

IV. CITY'S FISCAL CONDITION

A. Background

The Loan Guarantee Act will meet New York's borrowing needs over the next four years. However, the financing commitments of the various parties are contingent upon the phased elimination of the City's \$1 billion-plus deficit over four years. Although the financing problem is tentatively resolved, the budget outlook is deteriorating. The City's present deficit estimates, which have been accepted by Treasury, are \$433 million in City fiscal 1980, \$899 million in 1981, and \$1.1 billion in 1982. The 1981 and 1982 gaps are understated because the figures fail to provide for any increased labor costs. The City's existing labor contracts expire at the end of fiscal 1980.

-- Despite the upward trend, the City's "real" deficit is not increasing. The apparent increase in the gap reflects two factors: the phase-out of improper accounting practices, and exceedingly conservative revenue assumptions. In fact, City revenues and baseline expenditures are growing at the same rate. Thus the elimination of the \$1 billion deficit should permit the City to achieve a recurring budget balance after 1982.

-- All parties and the Congress always recognized that the City would face deficits until 1982. The increased magnitude of the deficit, which has now assumed "crisis" proportions, reflects several factors. First, the Congress failed to extend countercyclical fiscal assistance and tightened restrictions on the use of CETA funds. These Congressional actions cost the City \$117 million in 1980. Second, last summer's labor settlement added significantly to the 1980-1982 deficits. Finally, unanticipated one-shot revenues and spending shortfalls enabled Mayor Koch to defer planned 1979 City cuts, which would create recurring savings, until 1980. This has "backloaded" the 1980-1982 gap. The Mayor is accurate in stating that the failure of the Federal government to provide projected increases in aid levels has exacerbated the City's problem. However, it is not fair to blame the Administration for shortfalls in 1979 aid, which were caused by the failure of the Congress to enact the countercyclical bill which we vigorously supported. The Mayor speaks frequently of "shortfalls" in "Federal" aid without clarifying which branch of government has been responsible.

-- In our view, the Mayor's failure to implement deeper cuts in 1979 was a mistake, and his failure to do so has deepened the post-1979 deficits. The Mayor would respond that his obligation was to meet a fixed deficit reduction mark in 1979, and that non-recurring revenues permitted him to do so without implementing the cost reductions he had initially prescribed. The Mayor is technically correct, but he is subject to legitimate criticism for having bypassed the opportunity to capitalize on his political popularity to make major cuts in 1979.

B. 1979 Budget

The City will meet its deficit reduction mark for fiscal 1979, which ends June 30 of this year, despite a \$145 million "shortfall" in projected Federal aid.

C. 1980 Budget

On January 15 the Mayor released the City's plan to eliminate the \$433 million budget gap for fiscal 1980. The plan involves the following elements:

-- "Level I" cuts totalling \$141 million by eliminating 6,000 jobs through attrition. The Mayor is committed to make these cuts.

-- "Level II" cuts totalling \$52 million by eliminating an additional 2,800 jobs through attrition. These cuts would affect sensitive agencies largely untouched by Level I: police,

fire, sanitation and corrections. The Mayor characterizes Level II cuts as "damaging" and as "contingency actions" which would only be taken if there were shortfalls in "reasonably anticipated" Federal and State aid.

-- The Plan assumes that in 1980 State aid will increase by \$200 million and Federal aid by \$100 million. Since Governor Carey has committed to provide up to \$200 million if necessary, the central issue for the Mayor is whether the Federal government will produce its \$100 million, thereby averting the need for painful Level II cuts in 1980.

Treasury is required to make two "findings" prior to the next issuance of Federally guaranteed City debt later this month: (1) that the plan will meet the City's 1980 budget deficit reduction mark; and (2) that the plan reflects "substantial progress" toward a truly balanced budget in 1982. Treasury's views are as follows:

-- The Level I and II cuts are doable and would produce recurring savings in 1981 and beyond, thereby reducing outyear deficits.

→ -- Based on current revenue and expenditure projections, both Level I and Level II cuts are required in 1980. Since revenue estimates are understated, Treasury's position would permit the City to avert some if not all Level II cuts by increasing 1980 revenue estimates. Treasury will discourage any such effort by the City, since excess revenues can be carried forward to reduce the more serious 1981 and 1982 deficits.

→ -- At this time Treasury cannot certify that Federal aid will rise in 1980. In fact, the Administration's 1980 budget proposes to increase total Federal aid to the City by approximately \$200 million--double what the Mayor has requested. However, Treasury cannot certify that the City can rely upon these funds for budget relief for two reasons: (1) most of the increased funding reflects categorical assistance which does not provide fiscal relief (i.e., EPA grants to the City are projected to rise by \$124 million); and (2) the one Administration recommendation providing unrestricted fiscal aid--the countercyclical program, which would provide the City about \$50 million in 1979--is not certain to pass.

D. 1981-1982 Deficits

Treasury's objective in forcing deeper cuts in 1980 is to produce recurring savings to alleviate the 1981-1982 deficits. Treasury's statutory duty to "find" that the 1980 budget makes "substantial progress" toward a balanced budget in 1982 essentially requires a finding that the 1980-82 plan is not too "backloaded." Even if the City meets its 1980 \$433 million deficit reduction mark, the critical issue underlying the

present skirmishing is whether the 1981 and 1982 gaps are manageable.

Given the increased labor costs inevitable in 1981 and 1982, it is a close question as to whether the 1981 and 1982 gaps are manageable. Treasury shares our view that under highly conservative assumptions on State and Federal aid, one-shot revenues, etc., they may be beyond the City's ability to close. Under more optimistic assumptions which Treasury regards as more reasonable, the City cuts in 1981 and 1982 are large but probably manageable. In any event, both Treasury's statutory mandate and the City's long-term needs require that the Administration continue to apply pressure for major City cuts in 1980 to "front-end" the plan and reduce the outyear deficits.

Politically, the magnitude of the 1981 cuts leads most observers to forecast a heating up of the fiscal crisis during the period preceeding the start of the City's fiscal 1981-- i.e., during the spring and summer of 1980. The dynamics of New York politics are such that local parties are almost certain to blame the "1980 fiscal crisis" on the Administration. City progress in making major cuts in fiscal 1980 would, of course, reduce the size of the 1981 cuts.

V. RECOMMENDED TALKING POINTS

Introduction

-- During the 1976 campaign, I pledged a partnership with Governor and Mayor to solve the City's crisis. Once elected, I formed it. It has worked well so far.

-- That partnership got us the City Guarantee Act, which was one of your highest priorities in the 95th Congress. Let's continue that partnership approach for 1979.

To Koch

-- This Administration's record on helping the City is strong. The conventional wisdom was that the Loan Guarantee Act proposed by the Administration could not be enacted. You requested it, you got it, and it required an extraordinary effort on the part of Secretary Blumenthal and myself. Let's not forget it.

→ -- On fiscal assistance, last year federal aid to New York State increased by nearly one-third, the largest increase of any State. The City has done equally well. You are concerned about the City's welfare costs, but the Administration's
→ economic stimulus package alone brought the City \$561 million-- more than the City's total AFDC expenditures.

-- We are continuing to increase aid to the City, albeit at lower growth rates consistent with our anti-inflation objectives. Treasury reports that aid to the City will rise by approximately \$200 million in 1980--double the \$100 million the Mayor has sought. Our countercyclical proposal alone would provide roughly \$80 million over two years. Unfortunately, Secretary Blumenthal indicates that the restricted nature of the aid increases and the lack of certainty that Congress will pass the countercyclical program have made it impossible for Treasury to certify any increased Federal aid for deficit reducing purposes at this time. (Secretary Blumenthal should handle any specific questions on what level of aid Treasury can certify.)

-- I realize your commitment to balance the budget and take whatever steps are necessary to do it. Nevertheless, I hope you will be bold now to avoid a dangerously "back-loaded" budget balancing task. The primary responsibility for the City's survival is yours.

To Carey

-- Your record of increasing State aid to the City is good. You pledged a \$250 million increase in 1979 and delivered it.

-- You also testified that this \$250 million probably could grow to \$450 million by 1982. Our numbers show that the full amount of those increases will be needed for NYC as rapidly as possible.

Welfare Reform and Fiscal Relief

We hope to submit cash and jobs bills in early March, with total net FY 1982 costs of \$5-6 billion. Program details are still being discussed inside and outside the Administration.

Moynihan will probably ask about the net fiscal relief for the City, including the certainty of our estimates and the timing of the relief.

-- Total fiscal relief would be \$900 million attributable to several features in the package. The fiscal relief figures are necessarily approximations based on projected case loads, benefit levels, etc.

-- New York State would receive a total of \$150-180 million, depending on what the State chooses to do with two-parent benefit levels.

-- Of this amount, New York City would receive \$45-60 million, under the approach contained in last year's bill--dividing the relief between state and local governments. A decision between these approaches has not yet been made. This figure

could almost double with a "100% pass-through" to cover local costs.

-- We do not intend for these to be phantom figures. HEW met this past Monday with NYS and NYC welfare officials to go over the details of costs and likely fiscal relief.

The 100% pass-through would be better for the City and would make any given level of total fiscal relief in the bill more acceptable to Moynihan and Corman. On the other side, Governor Carey and the National Governor's Association (NGA) strongly favor the proportional pass-through the Administration supported last year. If raised, we recommend you indicate that we understand the issue but have not made a decision. This is an important bargaining chip which should be saved.

-- Although Administration budget projections contain a "plug" for partial implementation in FY 1981, no decision has been made on the phasing of fiscal relief: there might be some in FY 1981, but not before. The very most they might get is perhaps two-thirds of the total, depending upon many political and program coordination issues.

Finally, we understand that Moynihan is considering early introduction of his own bill, which would seriously cloud the environment and thwart our efforts to develop momentum toward a consensus vehicle. Concessions to Moynihan, including the pass-through and timing of fiscal relief, should be made in return for his cooperation.

THE WHITE HOUSE

WASHINGTON

February 6, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*

SUBJECT: Meeting with Mayor Koch, Governor
Carey, et al. - Wednesday, February 7

This is a brief addendum to Stu's memorandum to bring you up-to-date on the latest developments in the South Bronx.

On Tuesday, February 6, 1979, I had the attached letter hand-delivered to Ed Koch. The purpose of the letter was to resolve certain outstanding issues and, specifically, to give federal sign-off to the City's Charlotte Street Project proposal. The timing of the letter was dictated by the fact that the Board of Estimate meets in Executive Session on Wednesday, February 7 and in Public Session on Thursday, to discuss, among other things, the Charlotte Street proposal. The Mayor needed clear indication of our position on the matter in order to get final approval from the Board of Estimate. As you will note, my letter, while approving the proposal, also cautions that we must target federal, state and local resources to those areas in the South Bronx where they will have the greatest beneficial impact.

The Mayor has just called me to indicate his pleasure with the letter and to express his thanks for our cooperation.

I met earlier today with the entire Congressional delegation from the Bronx (Congressmen Bob Garcia, Jack Bingham, Mario Biaggi, Peter Peyser and Ted Weiss) and the Bronx Borough President Stanley Simon. Their public comments since the meeting have also been very supportive of both our approach and our efforts.

I do not know how the press will report these developments, but I am reasonably optimistic that we have the matter back on track after a rather difficult period.

I have consulted constantly with Secretary Harris on all these matters, and she is in full agreement with both the letter and the general strategy we are following.

THE WHITE HOUSE

WASHINGTON

February 6, 1979

Dear Ed:

Now that the Federal and State funding of the South Bronx Development Office is about to be worked out, this is a good time to renew our understanding regarding our mutual efforts in that troubled area.

(1) Maintenance of Effort.

We both agree that the special effort being made in the South Bronx must not be at the expense of other sections of the City. To that end, you are setting up procedures which will provide the necessary assurances to all concerned.

(2) Federal Commitment.

I want to make absolutely clear that this Administration remains fully committed to work with the City and others in an earnest effort to revitalize the South Bronx. We have always recognized that it is a long-term and very difficult task that we undertake. I think that the general goals stated in your April 11 draft proposal are reasonable, and we will continue to work with you to try to achieve them.

As you know from your years in the House of Representatives, it is simply not possible for the Federal government to make multi-year funding commitments. I assure you, however, that we will use our best efforts to fund worthy projects as they are prepared by the City's new South Bronx Development Office in accordance with an evolving development strategy. We accept your premise that funds so committed will not be diverted from other sections of the City. We will also continue to work with you and others, particularly in devising less costly approaches and in obtaining the greatest possible involvement of the private sector.

(3) Jobs and Economic Development.

As we have discussed many times, we believe that jobs and economic development should have top priority in the South Bronx, and we are encouraged with the close working relationships which have been established with the Departments of Commerce and Labor.

(4) Housing

On housing, we share your determination that high priority also be given to the development of an effective moderate rehabilitation program. HUD is pledged to work with you to achieve that goal. As to the Charlotte Street project, the HUD Area Manager is ready to approve the City's application. As you continue to plan and implement that project, however, it is important to bear in mind the need to target federal, state and local resources in the most effective and efficient ways possible. We all want the communities in the South Bronx to derive the greatest possible benefits from the dollars we spend there.

(5) Human Services

Human service programs are the largest single source of public monies reaching the South Bronx every year. The Department of Health, Education and Welfare is pledged to work with you to make those programs more effective.

(6) Delivery System

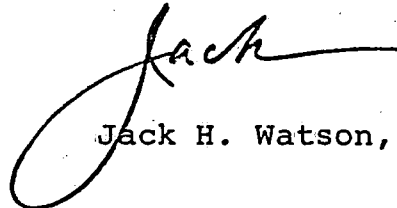
Since a major factor to the success of a South Bronx effort is the effective coordination and linkage of programs, the President has designated the Chairman of the Federal Regional Council for the New York Region, Mr. Thomas Appleby, as the key federal representative for coordination and follow-through. Mr. Appleby has had a long and distinguished career in housing and community development and has previously served as Housing and Development Administrator of the City. At the City level, the South Bronx Policy Group seems to us an effective guidance and coordinating device at this stage.

I am pleased that you have chosen such an able and experienced person as Ed Logue to serve as Director of the South Bronx effort under your overall supervision. I think it is important to get existing commitments made this past year for both housing and economic development implemented as soon as possible.

Mayor Edward I. Koch
February 6, 1979
Page Three

I look forward to working with you and your very able people toward the achievement of our common goal of revitalizing the South Bronx.

Sincerely,

A handwritten signature in cursive script that reads "Jack". The signature is written in dark ink and is positioned above the printed name.

Jack H. Watson, Jr.

The Honorable Edward I. Koch
Mayor of the City of New York
City Hall
New York, New York 10007

11:00 AM

THE WHITE HOUSE
WASHINGTON

February 6, 1979

MEETING WITH CONGRESSMAN JAMIE WHITTEN, (D-19-Mississippi)

Wednesday, February 7, 1979
11:00 a.m. (20 minutes)
The Oval Office

From: Frank Moore *F.M./RM*

I. PURPOSE

Basically this is a social visit to recognize his new position as Chairman of the Appropriations Committee and to discuss legislation to be considered before his committee in the 96th Congress.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: Congressman Whitten was just elected to succeed George Mahon as Chairman of the Appropriations Committee, 157-88. You telephoned him just prior to his election to wish him well. The opposition to Whitten's chairmanship came from Toby Moffett and other liberal Democrats who asked for support from the White House Congressional Liaison people. As you know, we did not oppose him. All 13 subcommittee Chairmen were elected by the full House Democratic Caucus on Tuesday morning.

Whitten will also chair the Agriculture Subcommittee. In the past years he and Secretary Bergland were publicly hostile over who runs the Department of Agriculture. Whitten cut \$200,000 from the Agriculture Congressional Liaison budget because they were threatening the Chairman's comfortable relationships with the Department. This history is important because the White House Congressional Liaison operation is working with Agriculture to strengthen the role of the Secretary's Congressional Liaison operation over all the other units in the Department. A word from you recognizing the problems from the last Congress and your hope to see things improve would help.

For the first time ever, Whitten had a Republican opponent in his Congressional race and is tending to be more partisan than ever before, a fact we may be able to use to our advantage.

B. Participants: The President, Congressman Whitten, Frank Moore, Bill Cable

C. Press Plan: White House Photographer

III. TALKING POINTS:

1. Whitten's cooperation will be essential if the deficit is to be maintained and the shape of the budget not radically altered.
2. The following subcommittees will probably give us some problems and we will need Whitten's help with them:
 - a. Labor/HEW: New Chairman is Natcher from Kentucky. They tend to add to proposed budget.
 - b. Foreign Aid: they tend to be more restrictive
 - c. Defense: New Chairman, Addabbo, is very supportive but they tend to add more "political aircraft", etc. than you request.
 - d. Public Works and Interior: tend to be "pork" subcommittees and we have had problems in the past
3. You should mention the creation of the Budget Task Force. The importance you place on spending issues is demonstrated by your agreeing to add four new people, detailed from other agencies, to work exclusively on the budget. The task force has met with the staff of the Committee and is trying to work in harmony with the committee.
4. We have attached a memo from Jim McIntyre making some very specific points you might want to use if the occasion indicates.

IV. ADDITIONAL INFORMATION

Administration Support: 31.3%

Wife: Rebecca



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

February 6, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: JAMES T. MCINTYRE, JR. *J. McIntyre*

SUBJECT: Your Wednesday Meeting
with Chairman Whitten

I suggest you raise the following points with Chairman Whitten:

- Stress your involvement with development of the 1980 budget and your personal commitment to its enactment.
- Discuss overall budget themes. Set a positive tone. Explain the reasons for the three-percent increase in Defense spending.
- Indicate that your interest in holding to the \$532 billion outlay target is just as strong as your commitment to a \$29 billion deficit. (If economic growth is disappointing and receipts are thereby lower than projected, it will be easier for the Administration to maintain the spending target than the deficit target.)
- Urge the Chairman to encourage his subcommittees to take action on the \$915 million of pending rescission proposals (see attached list). Unless the Congress passes a bill ratifying these rescissions by March 27, all these funds must be made available immediately, which is an unsatisfactory way to start off this year's budget cycle.
- Urge the Chairman that his Committee not make non-programmatic cuts (i.e., reductions to entitlement programs for waste, fraud, and abuse) and then use the "savings" to make discretionary increases to programs with real outlay effects, which will balloon spending in the out-years. Any adjustments in spending made by the Appropriation Committee should reflect real spending trade-offs.

- Express your general confidence in our economic assumptions, especially given the strong GNP in the fourth quarter and strong January employment data. Thus, those portions of the budget most sensitive to economic assumptions -- such as receipts and outlays for employment compensation -- remain viable estimates, given our most recent information.
- Emphasize your personal commitment to Real Wage Insurance as an essential element of the anti-inflation program. However, if Congress chooses not to support it, explain your view that the deficit should be reduced. Other spending should not be substituted.
- Urge the active support of the Chairman in persuading the authorizing committees to take positive action on legislative savings proposals (hospital cost containment, social security, food stamps, and child nutrition) so these savings can materialize as you recommend.
- State that the Administration intends to monitor authorization bills more closely than last year, so we can take action against potential threats to the budget before they come before the Appropriations Committee.
- Indicate that you would like to work with him this year to oppose all budget-busting bills, whether authorizations or appropriations. Explain your hope that most of these bills can be corrected before they reach your desk, but that you will not hesitate to disapprove legislation which is unacceptable for spending reasons.
- Discuss your decision to create the White House Budget Task Force, and urge the Chairman to cooperate with it to help hold down spending.
- Emphasize that we believe that the Appropriations Committees, which are responsible for appropriating about 60 percent of the budget, hold the key to success of your budget and fiscal policy, and that their decisions will be critical to the anti-inflation effort.

8:00 AM

THE WHITE HOUSE
WASHINGTON

February 6, 1979

BREAKFAST WITH NEW SENATORS

Wednesday, February 7, 1979
8:00 a.m. (90 minutes)
Cabinet Room

Electrostatic Copy Made
for Preservation Purposes

From: Frank Moore *Fm/pd*

I. PURPOSE

To meet and discuss domestic and foreign policy issues generally.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: We feel it is important for you to become acquainted as early as possible with the new Senators and breakfast is a casual forum to do so.
- B. Participants: The President
The Vice President
Senator Bill Armstrong (R-Colo)
Senator Rudy Boschwitz (R-Minn)
Senator Thad Cochran (R-Miss)
Senator Bill Cohen (R-Maine)
Senator David Durenberger (R-Minn)
Senator Roger Jepsen (R-Iowa)
Senator Nancy Kassebaum (R-Kan)
Senator Larry Pressler (R-S.D.)
Senator Alan Simpson (R-Wyo)
Senator John Warner (R-Va)
Frank Moore
Dan Tate
Bob Thomson
Bob Beckel
Bill Smith

C. Press Plan: White House Photo.

III. TALKING POINTS

- A. As for the previous breakfast, we suggest that you begin the discussions with a brief outline of our anti-inflation program, Real Wage Insurance and Hospital Cost Containment. You may also want to discuss generally the status of SALT, Panama Canal Implementing Legislation, and PRC normalization.

- B. Attached is a brief biographical sketch of each of the Senators who will be in attendance.

BILL ARMSTRONG (R-Colorado)

Wife: Ellen

Children: Anne, 16
Wil, 12

Committees: Budget
Banking, Housing & Urban Affairs
Labor & Human Resources

Prior to being elected to the Senate, Bill Armstrong served 3 terms in the House of Representatives. Before coming to Washington, he served in the Colorado State Legislature and was President of KOSI radio station in Aurora. Senator Armstrong had an ultra conservative voting record on both foreign policy and domestic issues while serving in the House.



RUDY BOSCHWITZ (R-Minnesota)

Wife: Ellen

Children: Jerry, 20
Ken, 19
Dan, 15
Tom, 12

Committees: Agriculture, Nutrition & Forestry
Budget
Select Committee on Small
Business

Senator Boschwitz is the millionaire owner of a plywood company in Minnesota. He was born and raised in New York and has no previous government service. He is an independent-minded moderate Republican who approaches all issues from a businessman's perspective. He is seriously concerned about the Federal Reserve Board's monetary policy and government regulations.



THAD COCHRAN (R-Mississippi)

Wife: Rose

Children: Clayton, 12
Kate, 8

Committees: Agriculture, Nutrition & Forestry
Judiciary

Senator Cochran served 3 terms in the House of Representatives before his election to the Senate. Prior to his House service, he was a practicing attorney in Jackson. We expect Senator Cochran to be difficult on foreign policy matters. At the recent Republican gathering in Easton, Maryland, Senator Cochran voted with the ultra conservatives to support the hardline SALT resolution which was defeated by Senator Baker. On domestic issues we expect him to talk a moderate line, but vote with the conservatives. Politically astute Mississippians say he will be to the right of Jim Eastland. NOTE: Senator Cochran will ~~not~~ attend this breakfast -- he will be meeting with the farmers later.



BILL COHEN (R-Maine)

Wife: Diane

Children: Keven, 15
Christopher, 13

Committees: Armed Services
Governmental Affairs
Special Committee on Aging

Prior to his election to the Senate, Bill Cohen served 3 terms in the House of Representatives. Before serving in the House, he was a practicing attorney in Maine. Senator Cohen had a liberal foreign policy voting record in the House and can be expected to help us this year. On domestic issues he should be viewed as a moderate and can be counted on for occasional support.



DAVID DURENBERGER (R-Minnesota)

Wife: Penny

Children: Charlie, 15
David, 14
Michael, 13
Daniel, 11

Committees: Finance
Governmental Affairs
Select Committee on Intelligence

Prior to his election to the Senate, Senator Durenberger served as corporate Counsel for Legal and Community Affairs, Manager of the International Licensing Division of H.B. Fuller Company of St. Paul from 1971-78. From 1967-71 he was Governor Harold LeVander's Executive Secretary. We expect Senator Durenberger to be a moderate to liberal Republican who will be helpful on both foreign and domestic issues; however, his support cannot be taken for granted.



ROGER JEPSEN (R-Iowa)

Wife: Dee

Children: Jeffery, 30
Ann Marie, 25
Craig, 23
Deborah, 21
Linda, 23 (by previous marriage)
Coy, 19

Committees: Agriculture, Nutrition & Forestry
Armed Services
Joint Economic Committee

Prior to his election to the Senate, Roger Jepsen was president of a marketing company which he formed in 1975. Prior to 1975 he was vice president of an electronics firm and served 2 terms as Iowa's lieutenant governor (1969-73). Jepsen is a very conservative, anti-government politician. We expect little help from him on any issue this year. He is a personable and approachable Senator, but unfortunately he has a closed mind on most matter.



NANCY KASSEBAUM (R-Kansas)

Husband: Separated

Children: John, 21
Linda, 19
Dick, 18
Bill, 16

Committees: Banking, Housing & Urban Affairs
Budget
Commerce, Science & Transportation
Special Committee on Aging

Senator Kassebaum, prior to her election to the Senate, was active in business as Vice President of KFH and KBRA Radio in Wichita and many public service organizations. At the Republican gathering in Easton she and Senator Chafee were the only 2 Republicans to oppose all anti-SALT/Carter foreign policy resolutions. She should be a moderate on domestic issues, however, a great deal depends on the pressure her Kansas colleague, Senator Dole, places on her in this regard. As the only woman ever elected to the Senate, not having been appointed first, she is under tremendous pressure from women's groups to carry their causes in the Senate.



LARRY PRESSLER (R-South Dakota)

Wife: Single

Committees: Budget
Commerce, Science & Transportation
Energy and Public Works
Select Committee on Small Business

During his years in the House of Representatives, Senator Pressler moved from having a liberal voting record to establishing himself as a moderate among Republicans. He should be helpful to us occasionally on foreign policy matters. Senator Pressler can be unpredictable at times -- he drove a tractor in yesterday's demonstration.



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ALAN SIMPSON (R-Wyoming)

Wife: Ann

Children: Bill, 21
Colin, 19
Susan, 16

Committees: Energy and Public Works
Judiciary
Veterans' Affairs

Prior to his election to the Senate, Alan Simpson was a practicing attorney in Cody and a member of the Wyoming House for 15 years. Senator Simpson voted with the hardliners at the Republican gathering in Easton; however, he may be helpful to us on SALT. We know very little about his stand on domestic issues. We will need his help on the Public Works Committee to hold down spending on water projects authorization. Senator Simpson is one of the most popular of the new Senators.



JOHN WARNER (R-Virginia)

Wife: Elizabeth

Children: Mary, 21
Virginia, 20
John, 17

Committees: Armed Services
Commerce, Science & Transportation

Senator Warner is a former farmer, Secretary of the Navy (1972), Under Secretary of the Navy (1969), and lawyer. He professes that he will be more helpful on various issues than we expected. During his campaign he attacked us less than his Democratic opponent. We should not write him off, but we do not look for a great deal of help from him.



12:00 PM



THE VICE PRESIDENT
WASHINGTON

February 7, 1979

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

I am pleased to inform you, on behalf of the Majority and Minority Leaders of the Senate, of my appointments to the Commission on the Holocaust. I submit the following Senators to serve on this Commission:

Henry M. Jackson
Claiborne Pell
Richard Stone
John C. Danforth
Rudy Boschwitz

Sincerely,

Walter F. Mondale
Walter F. Mondale

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